SUPPLEMENTARY INFORMATION:

FOR FURTHER INFORMATION CONTACT:

DATES:

SUMMARY:

AGENCY:

ACTION:

SUMMARY:

DATES:

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SUPPLEMENTARY INFORMATION:

A. Background

In February 2010, NCUA issued an interim final rule, with request for comments, to permit low-income designated credit unions (“ LICUs”) to redeem all or part of secondary capital (“ SC”) accepted from the United States Government or any of its subdivisions (“government-funded SC”)1 and its matching SC, if any, at any time after the SC has been on deposit for two years. The amendments also allowed early redemption, under the same terms and conditions, of secondary capital accepted as a match to the government-funded secondary capital. Finally, the amendments changed the loss-distribution provision that applies to secondary capital accounts so that secondary capital accepted under the 2010 Community Development Capital Initiative is senior to any required matching secondary capital accepted from an alternative source. This rule confirms those amendments as final with some technical changes and clarifications.

On February 19, 2010, NCUA published an interim final rule amending its regulation governing secondary capital accounts to permit low-income designated credit unions to redeem all or part of secondary capital accepted from the United States Government or any of its subdivisions at any time after the secondary capital has been on deposit for two years. The amendments also allowed early redemption, under the same terms and conditions, of secondary capital accepted as a match to the government-funded secondary capital. Finally, the amendments changed the loss-distribution provision that applies to secondary capital accounts so that secondary capital accepted under the 2010 Community Development Capital Initiative is senior to any required matching secondary capital accepted from an alternative source. This rule confirms those amendments as final with some technical changes and clarifications.

Dated at Rockville, Maryland, this 17th day of September 2010.

For the Nuclear Regulatory Commission.

Cindy Bladye,

Chief, Rules, Announcements, and Directives Branch, Division of Administrative Services, Office of Administration.

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1 Where the term appears in this preamble, Government-funded SC refers only to SC funded by the Federal Government as opposed to State governments or their subdivisions.